

June 2007

Indiana State Teachers' Retirement Fund

Retiree News

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Letter from the Executive Director, Cristy S. Wheeler

I am excited to introduce a new communication tailored to you, our retired members. In the past our newsletter has been for all members – active and retired. We believe this new format allows us to accomplish two goals – focus our communications on the different needs of the two groups and save costs by sending our active member newsletter with quarterly annuity savings account statements.

We will send a retiree newsletter at least once a year after the legislative session. This allows us to keep you up to date on legislative changes that may affect you. We will also evaluate at the end of each year whether there are matters of critical importance that should be communicated to you before the next legislative session. This legislative session wrapped up another busy session and here's what may impact you:

COLA

A Cost of Living Allowance (COLA) has been approved for Indiana retired teachers. The increase to your pension is effective January 1, 2008 (which you will receive February 1, 2008). The allowance is distributed as follows:

- o If you retired before July 2, 1999, you will receive a 2% increase; or
- o If you retired after July 1, 1999 but before July 2, 2005, you will receive a 1% increase.

As in all past COLA's, the percentage increase is only for your Pension which includes past COLA's.

Please note: Retired members who have returned to work in a covered position and retired again, your COLA eligibility is based on your latest retirement date (Continued on Page 3).

Our Annual Report is now available online or upon request.



All forms are available on our website at www.in.gov/trf

How to Report the Death of a Retired Member

When a retired member or survivor of a retired member deceases, a representative should notify our office by phone or by completing a death report form, which is available on our website at www.in.gov/trf. The mailing address and fax number are in the upper right hand corner of the form. To avoid any confusion or delay, please refrain from sending any documentation until you have received correspondence from our office.

When we receive notification of a death, the information is forwarded to our benefits division for verification and processing. A letter and forms will be mailed to the named beneficiary or survivor explaining how to close the deceased member or survivor's account. If no beneficiary or survivor is named on the account, our office is required to send the information to the estate or the estate's personal representative.

In addition to mailing in the appropriate forms, we must receive a copy of the death certificate. Our benefits division will review and close the deceased member's account and send any monies due to the beneficiary, survivor or estate.

Note: The deceased member or survivor's account is entitled to the benefit check dated the first of the month after the death. For example, if the member or survivor passed away in May they are entitled the check dated June 1st.

Jump On.....

More and more members are moving toward direct deposit. As of April 2007, we have 88.67% of retirees participating in direct deposit, which is up from 86.94%.

What is Direct Deposit?

Direct deposit is when our financial institution sends electronic funds directly into your bank, crediting your account with the exact amount of your benefit. This ensures your retirement benefit is in your account timely and safely.

Why Direct Deposit? Consider the benefits...

- o Checks are automatically deposited on the 1st of each month.
- o Members receiving paper checks must wait until the 10th of the month to notify our office to reissue a lost paper check.
- o If the 1st of the month falls on a Saturday, Sunday or Holiday, checks are deposited the first business day BEFORE the 1st of the month. The only exception is on January 1st. Due to Federal tax regulations we cannot pay members before the 1st day of the new tax year. In January, deposits will be made on the 1st banking day of the new year.
- o Avoiding trips to the bank and waiting in line.
- o Convenient and consistent deposits in spite of business absences, vacations or illnesses.
- o Security knowing benefit checks cannot be lost, stolen or forged.
- o Less risk of a lost or misdirected check by your financial institution.
- o More control over time and money because it is predictable and dependable
- o Helps protect from identity theft
- o Member is not dependent on the United States Postal Service (as checks are mailed three business days before the 1st).

If you choose to participate in direct deposit, you will receive a statement of your deposit for recordkeeping purposes. If the advantages of direct deposit interest you, please complete an "Application for Direct Deposit" form. This form is available on our website or by contacting our office.



Letter from the Executive Director (Continued)

Survivor

Effective July 1, 2007, a retired member who is a party in a divorce action and receives a final dissolution order may change his or her survivor beneficiary and form of benefit. The details on qualification and application for this survivor beneficiary and form of benefit change will be available on our website as of July 1, 2007. If you do not have a way to access our website you may call our office. This information will not be available before July 1, 2007.

Reemployed Retirees

Returning to work

Effective July 1, 2007, members will not have an earnings limitation or a supplemental benefit, which means no contributions will be made to TRF on your behalf and no service credit will be earned if you reemploy in a TRF covered position. If you reemploy in a PERF covered position, the earnings limitation is \$35,000 and members are responsible for notifying TRF if they reemploy in a PERF covered position.

Returned to work

Members who are reemployed for at least 90 days prior to July 1, 2007 may apply for their supplemental benefit for the reemployment period up to and including June 30, 2007.

Members who have been reemployed for less than 90 days as of July 1, 2007 may apply for a distribution from their ASA for contributions made on their behalf during the reemployment period.

Because the termination of accrual of supplemental benefits will occur by operation of law, there is no separation of service requirement for those already reemployed and eligible for a supplemental benefit. **No supplemental benefit will accrue after June 30, 2007 .**

Did you defer distribution of your Annuity Savings Account at retirement?

If so, the one of the following options are available to you:

- Add your ASA distribution to your pension benefit as a monthly payment. Prior to this selection we recommend viewing an estimate of what your monthly payment would be. You may do this through our interactive web or by contacting our office; or
- Withdraw your annuity as a direct rollover to another trustee. To do this, you will need to complete an ASA 5/ASA 6 Post Retirement Election Form.

3 As always, you may contact our office for assistance with your post retirement election decision.





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Is the TRF Website for Me?

As an active member of the Teachers' Retirement Fund, you had several features on our interactive website available to you. Did you know you actually have more features available as a retiree? One great benefit is that changes are posted immediately to your account. Features available at your fingertips include:

View or Change Member Address: It is always important to keep your address current.

View or Change Beneficiary: Update your beneficiaries at anytime.

View or Change Direct Deposit Information: Set up or change your bank account information to allow your benefit to be deposited directly into your account.

View or Change Tax Withholdings: Manage the amount of taxes withheld from your benefits.

View Benefit Payments: Review the benefits received over the last 12 months.

View IRS 1099-R: Reprint or view your annual 1099-R form online.

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Also, if you retired and left your Annuity Account invested at TRF, you can:

View or Change Investment Options: Manage your investment allocations as often as you like.

View Statements: Review your quarterly statement at any time.

You may register to use TRF interactive by clicking on the *My Account* button at www.in.gov/trf.